

AGENDA



Thursday, July 26, 2007

**Aviation
RECOMMENDATION FOR COUNCIL ACTION****Item No. 9**

Subject: Approve the negotiation and execution of a lease agreement with the United States Transportation Security Administration for administrative office and support space in Austin-Bergstrom International Airport Terminal, for a term of five years, commencing September 1, 2007.

Amount and Source of Funding: This is a revenue-generating contract. Fiscal Year 2007-2008 revenue is projected to be \$324,298. This revenue is reflected in the Department of Aviation's (DOA) Fiscal Year 2006-2007 budget. Revenue over the five year term of the lease is estimated at \$1.69 million.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Frederick A. Scott, Manager - Administration and Business Development, (512) 530-7507.

Boards and Commission Action: Recommended by the Austin Airport Advisory Commission.

Prior Council Action: Council approved the initial TSA lease on July 17, 2003; however, the lease was retroactive to "September 1, 2002."

Congress created the Transportation Security Administration (TSA) in the aftermath of the tragedy of September 11, 2001, to provide security at Airports and other transportation facilities. TSA assumed full responsibility of passenger screening at Austin-Bergstrom International Airport (ABIA) in September 2002. TSA has approximately 220 employees assigned to ABIA.

This lease agreement provides various areas needed by TSA to support its passenger and baggage screening functions. It covers only the office, administrative, and support space, not the actual screening areas. The screening areas are provided by the airlines. The TSA has leased space at the Airport terminal since September 1, 2002. The term of the original lease was two years and was extended three additional years on September 1, 2004. The lease cannot be extended further; therefore, a new lease must be executed. The rent under the TSA lease is calculated at the same rate per square foot as other airport tenants for comparable space. The space being leased to the TSA consists of six areas in the Airport terminal, and is a slight reduction of square footage from the previous lease due to ABIA's expansion of the baggage claim area. TSA's total annual rent will be \$324,298 for the first lease year, subject to adjustment for subsequent years.